



HOUSE BILL 180: Mechanics Liens/Technical Corrections

2013-2014 General Assembly

Committee: Senate Judiciary I
Introduced by: Rep. Stevens
Analysis of: PCS to Second Edition
H180-CSTG-11

Date: March 11, 2013
Prepared by: Bill Patterson
Committee Counsel

SUMMARY: *The PCS to House Bill 180 makes technical, clarifying and conforming changes to Article 2 of Chapter 44A of the General Statutes governing statutory liens for improvements to real property. The PCS corrects an inadvertent error in the earlier version of the bill.*

CURRENT LAW: In 2012, the General Assembly made significant changes to the laws governing liens for improvements to real property under Article 2 of Chapter 44A of the General Statutes¹, including enactment of G.S. 44A-11.1 and G.S. 44A-11.2, which, effective April 1, 2013, will require owners undertaking improvements costing \$30,000 or more to appoint a lien agent to whom potential lien claimants must give notice of their involvement in the project in order to preserve their lien rights.

BILL ANALYSIS:

Section 1 amends G.S. 44A-11.1 to:

- clarify the law's application to improvements not requiring a building permit
- require the owner's contact information to be provided to the designated lien agent
- clarify that a lien agent is not an owner's agent for service of a claim of lien on real property
- specify additional circumstances under which a successor lien agent must be appointed
- require requests from closing attorneys to lien agents for copies of notices to be in writing

Section 2 amends G.S. 44A-11.2 to:

- permit owners and potential lien claimants to use an Internet Web site approved for such use by the designated lien agent to transmit statutorily required notices to the lien agent
- clarify that G.S. 44A-11.2(c) does not apply if the potential lien claimant has received the lien agent contact information pursuant to G.S. 44A-11.2(d)
- make other technical, clarifying or conforming changes

Section 3 amends G.S. 44A-19(e) to permit an obligor to file a copy of the notice of claim of lien upon funds when discharging a claim of lien pursuant to G.S. 44A-16 and G.S. 44A-20(e).

Sections 4 through 7 make technical, clarifying or conforming changes to G.S. 44A-20(d), G.S. 44A-23, G.S. 44A-27(b), and G.S. 58-26-45.

EFFECTIVE DATE: This Act becomes effective April 1, 2013. Sections 1, 2, 4, 5 and 7 apply to improvements to real property for which the first furnishing of labor or materials is on or after that date. Section 3 applies to notices of claims of lien filed on or after that date. Section 6 applies to improvements to real property for which the first building permit is obtained on or after April 1, 2013.

¹ S.L. 2012-158, S.L. 2012-175, S.L. 2012-194, s. 65.3.

